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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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1. Contacts between the Bulgarian government and the new Soviet leaders, which have lasted over six weeks, have confirmed explicitly the goodwill which Malenkov shows toward the Bulgarian people, who "among the Slav peoples are the most closely linked with the Soviet peoples." Molotov declared to the Bulgarian [redacted] that "Bulgarians can completely reckon on the brotherly friendship" of the present Soviet leaders.

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2. Such affirmations may have been exaggerated to reinforce the Vulko Chervenkov regime in Bulgaria. However, one proof of the above declarations is the USSR's intention to re-examine the financial agreements existing between the two states so as to further the economic evolution of Bulgaria by up-to-date methods. At the same time, the Soviet attitude of reserve toward the execution of the Five Year Plan is to be definitely considered "ad acta." In short, the quarrels against different Bulgarian leaders, who were often accused of not having been able to fulfill the objectives of the plan, are finally ended, and Moscow has thus given its approbation to what the Bulgarian Government has accomplished from the period 1949 to the present.
3. On the basis of the above mentioned, several measures have been agreed upon to attain "up-to-date" methods in agricultural and industrial production and in communications. These measures represent an amendment to the first Five-Year Plan and an anticipation of future plans.
4. The results which have been obtained up to now and the reactions to collectivization in the various agricultural regions of Bulgaria have caused the Government to try the following two different systems of production:
 - a. The first admits the existence of minor collective units (comprising, in some specific cases, the members of only one family). This system will be applied in the Rhodopi and Tundzha valleys, and in the Sofia, Kameno, Pleven, Gorna, Oryakhovo and Ruse regions. This system will affect almost exclusively industrial developments.

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- b. The second aims at forming enormous land units (comprising entire provinces). This system will be applied in the Danubian and Thracian plains, and in the Pazardzhik, Plovdiv, and Asenovgrad zones. Only grain and cereals will be cultivated by these very large national collective units.
5. The aim of the two systems is to reduce the agricultural population to 67 percent of the entire population in 1953 and possibly to 58 percent during the next two years. The object is to provide a continually increasing number of workers to the industries, thereby absorbing all peasants left without work by nationalization and collectivization of agriculture.
6. Industrial increase will be accelerated by the construction of new plants. Two large thermo-electric and some minor hydro-electric centers will be built. The hydro-electric plants will be built along the Maritza River, and will bring the hydro-electric plants to a total of 16 units (total production of electric power will be 2,400 million KW). At the same time, the metallurgical combine "Vasil Kolarov" at Varna and those at Sofia will be enlarged. Plants will be built to produce electro-motors, electro-transformers, perforators, hydraulic hammers, fraising and wheel machines at Pernik, Vratsa, Svoge, Stakevtzi, and Bobov Dol. All the necessary machines and tools will be provided by the USSR, in accordance with earlier agreements. The USSR will also supervise the construction of the plants and the training of the different categories of workers.
7. Particular attention will be given to improving present means of communication, which are not satisfactory in spite of the recent construction of roads and railways.
8. Precedence over all other construction will be given to the Ruse bridge to connect the Bulgarian railway system with the Rumanian one. The part of this bridge, which goes from the Rumanian shore to an island in the Danube, is about 500 meters long and was finished last year. The second part, which joins the island to the Bulgarian shore, was scheduled for completion in approximately 18 months. It has been decided, however, that the second part should be completed in only five months' time. The bridge is to be 25 meters wide, 19 meters of which are to be used for traffic.
9. The construction of another 271 kilometers of railroads has been approved, which would raise the total trackage to 5,165 kilometers. Many Bulgarian railroads will have broad gauge tracks.
10. It is believed that the new project will cause an increase of 80 billion leva in financing the Five-Year Plan, which had been previously fixed at 425 billion leva.

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